

Message Text

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ACTION IO-14

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FOR LATIN AMERICAN AND CARIBBEAN BUREAU, AID FROM VALDEZ

E.O. 11652: N/A
TAGS: EAGR, GY, US
SUBJECT: ADDITIONAL CONVERSATIONS WITH GOVERNMENT OF GUYANA
LEADERS ON ECONOMIC DEVELOPMENT PROBLEMS

1. BEGIN SUMMARY: WHEN AMBASSADOR YOUNG'S PARTY LEFT
GUYANA AUGUST 10 FOR SURINAM, I REMAINED IN GEORGETOWN FOR
FURTHER CONVERSATIONS ON ECONOMIC DEVELOPMENT PROBLEMS
WITH SIX GOG CABINET MINSTERS AND THEN TOOK A HALF-DAY
PLANE TRIP FOR AN OVERFLIGHT OF AREAS IMPORTANT TO GUYANA'S
DEVELOPMENT, AS WELL AS OF AID PROJECTS. DURING THE
CONVERSATIONS, SEVERAL SPECIFIC SUGGESTIONS FOR FUTURE
AID ASSISTANCE WERE IDENTIFIED BY GOG OFFICIALS --
PRINCIPALLY SEA WALL CONSTRUCTION, TECHNICAL TRAINING,
AGRO-INDUSTRY, AND RICE STORAGE MILLING AND STORAGE
FACILITIES. I ALSO MET WITH OFFICIALS OF THE CARIBBEAN
COMMUNITY (CARICOM) WHICH IS HEADQUARTERED IN GEORGETOWN.

2. DURING CONVERSATIONS WITH THE MINISTERS OF WORKS AND
TRANSPORT, FINANCE, ECONOMIC DEVELOPMENT AND
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COOPERATIVES, AGRICULTURE, EDUCATION, AND HEALTH,
THE PROBLEM MOST FREQUENTLY RAISED WAS DAMAGE TO
THE SEA WALL PROTECTING GUYANA'S COASTAL AGRICULTURAL
BELT WHICH IS BELOW SEA LEVEL. RICE AND COCONUT
PRODUCTION WOULD BE ENDANGERED BY BREACHES OF THE
SEA WALL, AS WOULD THE INFRASTRUCTURE OF ROADS,
ELECTRICITY, AND HOUSING, MOST OF WHICH IS CONCENTRATED

IN THE FLAT COASTAL BELT. GOG OFFICIALS ESTIMATED THAT THE CONSTRUCTION OF A PERMANENT SEA WALL COULD COST APPROXIMATELY \$250 A FOOT.

3. THE NEED FOR INCREASED EMPLOYMENT OPPORTUNITIES WAS RAISED. GUYANA'S ECONOMY IS BASED ON AGRICULTURE AND MINING, PRINCIPALLY BAUXITE. MINING IS CAPITAL INTENSIVE. AGRICULTURE, PRINCIPALLY RICE AND SUGAR, IS LABOR INTENSIVE, BUT PROVIDES ONLY SEASONAL EMPLOYMENT. THE GUYANESE ARE INTERESTED IN DEVELOPING THEIR CAPACITY TO PROCESS AGRICULTURAL PRODUCTS WHICH WOULD PRIVDE INCREASED EMPLOYMENT IN RURAL AREAS.

4. THE GUYANESE ALSO EXPRESSED A DESIRE FOR TECHNICAL TRAINING, PARTICULARLY THE TRAINING OF MECHANICS TO KEEP THE COUNTRY'S STOCK OF MACHINERY FUNCTIONING. IN THE FACE OF A SHORTAGE OF MECHANICS, CANNIBALISM OF EQUIPMENT IS TAKING PLACE. AID CURRENTLY HAS A PROPOSED LOAN OF \$6.0 MILLION, PART OF WHICH WOULD UPGRADE GUYANA'S CAPABILITIES TO MAINTAIN HEAVY CONSTRUCTION EQUIPMENT BY TRAINING MECHANICS AND OPERATORS.

5. THE GUYANESE MAY ALSO REQUEST ASSISTANCE IN THE REGUILDING OF THE GEORGETOWN MILLED RICE FACILITY DESTROYED BY FIRE ONLY HOURS BEFORE OUR ARRIVAL
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ON AUGUST 9. THIS FACILLTY WAS AN IMPORTANT DEPOT FOR GUYANA'S RICE EXPORT BUSINESS, AND CONSTRUCTION ON IT WAS ABOUT 80 PERCENT COMPLETE AT THE TIME OF THE FIRE. FORECASTS ARE THAT THE RICE HARVEST THIS FALL WILL BE THE LARGEST IN HISTORY, AND SO THE LOSS OF THE FACILITY WAS A PARTICULARLY HEAVY BLOW. I INDICATED THAT WE WOULD BE WILLING TO CONSIDER THIS REQUEST FOR REBUILDING THE RICE FACILITY, BUT THAT I COULD NOT MAKE ANY COMMITMENT UNTIL WE HAVE STUDIED THEIR REQUEST.

6. ON AUGUST 11 I MADE A FIELD TRIP IN THE COMPANY OF MINISTER OF WORKS AND TRANSPORT STEVE NARIANE, HIS CHIEF ENGINEER MR. POORAN BALBALHADUR, MR. CHARLES KENNARD, PRODUCTION MANAGER OF THE GUYANA RICA BOARD, AND SEVERAL USAID OFFICIALS. WE VIEWED COASTAL AGRICULTURAL AREAS WEST OF GEORGETOWN TYPICAL OF THOSE PROTECTED BY A SEA WALL, ROAD AND HIGHWAY PROJECTS ASSISTED BY AID, AND LANDED TO VISIT THE CANJE RIVER BRIDGE CONSTRUCTION SITE WHICH IS PARTLY FINANCED BY AN AID LOAN. WORK ON THE BRIDGE STARTED IN LATE 1976 AND IT IS NOW

SCHEDULED TO BE FINISHED AHEAD OF TIME.

7. I VISITED THE CARICOM SECRETARIAT ON AUGUST 10. CARICOM OFFICIALS IDENTIFIED TWO PRINCIPAL AREAS OF SUPPORT WHICH THEY WOULD LIKE TO SEE FROM THE US. ONE WAS TECHNICAL TRAINING FOR CARICOM STAFF TO INCREASE THE INSTITUTION'S CAPABILITIES. THE SECOND WAS FINANCIAL AND TECHNICAL ASSISTANCE IN CARICOM'S REGIONAL FOOD PLAN. ACCORDING TO A CARICOM REPORT, THERE IS AN INCREASING DEFICIT IN FOOD PRODUCTION IN THE CARICOM REGION, THE VALUE OF FOOD IMPORTS HAS SOARED, AND FROM 44 TO 56 PERCENT OF THE REGION'S PEOPLE SUFFER FROM SOME NUTRITIONAL DEFICIENCY. THE PLAN IS SEEKING TO DEVELOP REGIONAL SOLUTIONS TO THE LIMITED OFFICIAL USE

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AGRICULTURE PROBLEM BECAUSE OF SUCH ANOMALIES AS THE FACT THAT OVER 90 PERCENT OF THE LAND RESOURCES ARE CONCENTRATED IN TWO COUNTRIES, BAHAMA AND BELIZE, WHICH HAVE ONLY 10 PERCENT OF THE POPULATION. THE AREAS IN WHICH THE REGIONAL PLAN HOPES TO WORK ARE FISH, STOCK FEEDS, MEAT AND DAIRY PRODUCTS, AND AGRO-INDUSTRY DEVELOPMENT. I INDICATED OUR INTEREST IN SUPPORTING CARIBBEAN ECONOMIC INTEGRATION AND THAT WE WOULD BE GLAD TO WORK WITH CARICOM IN THIS EFFORT.
YOUNG

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